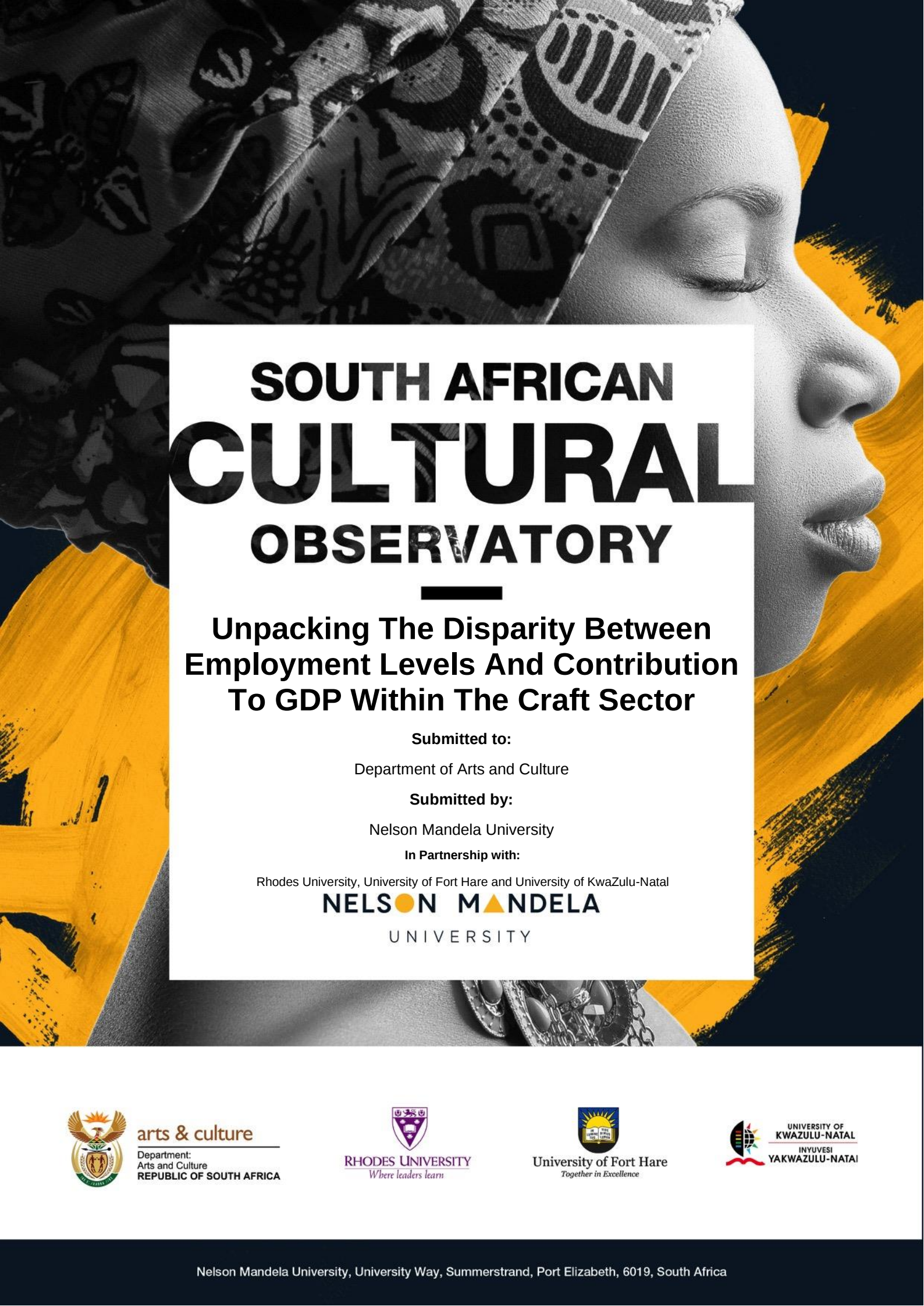




SOUTH AFRICAN CULTURAL OBSERVATORY

Unpacking The Disparity Between Employment Levels And Contribution To GDP Within The Craft Sector

Submitted to:

Department of Arts and Culture

Submitted by:

Nelson Mandela University

In Partnership with:

Rhodes University, University of Fort Hare and University of KwaZulu-Natal

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South African Cultural Observatory

**Unpacking The Disparity Between
Employment Levels And Contribution To
GDP Within The Craft Sector**

December 2019

Researchers

Prof Jen Snowball

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Submitted to the Department of Arts and Culture:



arts & culture

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REPUBLIC OF SOUTH AFRICA

Executive Summary

The Visual Arts and Craft are recognised in many countries as having the potential to create employment and contribute to GDP. The recent SACO mapping study of the cultural and creative industries (CCIs) in South Africa showed that the Visual Arts and Crafts Domain accounts for 53% of CCI jobs, but contributed only 8% of the GDP contribution of the CCIs. The aim of this report is to use national-level data to unpack the workings of the Visual Arts and Crafts (VAC) domain, and particularly the crafts sector, from a number of angles in order to gain a better understanding of its potential for development and the constraints faced by the sector.

The results show that the VAC domain does provide opportunities for the employment of women and youth, but it is more male dominated than other CCI domains, especially in terms of young women. Earnings in the VAC domain are generally lower than in other CCI domains, especially for women, which supports other studies that claim that the sector is more of a “survivalist” livelihoods strategy. However, especially for rural women with lower levels of education, and few alternatives, there may also be other non-market (social and independence) benefits related to working in this domain.

38.4% of workers in the VAC domain are freelance (own account workers with no employees, with high levels of informality, again especially for women: 53.1% of women in VAC are freelance. Younger workers in VAC, however, tend to have slightly lower levels of informality than older workers, which may indicate a positive change. 60.4% of VAC workers are in the informal sector. As found in previous studies, provinces with larger metropolitan areas (Gauteng, Western Cape, and KwaZulu-Natal) have a larger share of workers in the VAC domain. However, there is also some potential in more rural provinces if links to markets and tourists can be made.

The VAC domain also contributes significantly to transformation objectives: 82.4% of people in VAC occupations are black Africans, 10.9% coloured, 1.2% Asian/Indian, and 5.6% white. Firm-level analysis also showed that they scored well on other transformation goals, such as having a black African, coloured or Asian/Indian owner (63%), at least one female owner (58%) and at least one youth owner (27%). However, findings also confirmed the generally low levels of formal education amongst VAC workers: 46.5% had not completed secondary school, and less than 10% had any form of tertiary education (compared to 23.9% of those in cultural occupations overall).

The VAC domain appears in a number of government policies, strategies and plans, and identifies many of the challenges found in this research and possible interventions. However, the new Revised White Paper on Arts and Culture (2018) has only a very small section on the sector and little in the way of sector-specific policies. To take advantage of the opportunities related to tourism and the growth in VAC domain exports, a coherent and well-implemented strategic approach for the sector is needed that would focus on empowering the mostly micro-enterprises in the sector to move up the value chain.

Key Findings

...

- The UNCTAD Creative Economy Outlook report shows that South Africa is amongst the top 10 developing country exporters of visual arts.
- 19.4% of women in the VAC domain are youth (15-34), compared to 37.8% of men.
- 37.9% of people working in the VAC domain earn R2500 or less per month; 43.2% of women in the VAC domain earn R2500 or less per month.
- 53.1% of women working in the VAC domain are freelance.
- 38.4% of workers in the VAC domain are freelance.
- Provinces with larger metros have a greater proportion of people working in the VAC domain.
- 82.4% of people working in the VAC domain are black Africans.
- 58% of VAC firms interviewed had at least one woman owner.
- 46.5% of people in the VAC domain had not completed secondary school.
- 60.4% of VAC workers are in the informal sector
- 90% of VAC firms reported that direct sales to SA households were their main source of income.

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1 Introduction: Aims and Objectives

The Visual Arts and Craft are recognised in many countries as having the potential to create employment and contribute to GDP. This is especially the case in emerging markets, like South Africa, where rich cultural heritage and artisanal traditions, the low barriers to entry of the sector, and its potential for rural development, make it an important focus area for CCI (cultural and creative industries) development.

The recent SACO mapping study of the CCIs in South Africa (2018) showed that the Visual Arts and Crafts Domain (using the UNESCO definitions), contributed R62 billion, which represents approximately 1.7% of the total GDP in South Africa. However, of this, the VAC domain contributed only 8%, despite employment figures for this domain making up 53% of overall cultural employment (Hadisi and Snowball, 2018). The Revised White Paper links together the Fine Arts, Design and Craft sectors. It notes that, while the Fine Arts and Design sectors are characterised by well educated people working in mostly urban areas, Crafts are characterised by relatively low levels of education, and are located mostly in rural areas (Revised White Paper, 2018:22).

A recent paper by Makhitha (2017:3) on the challenges of small craft producers in South Africa also notes that, while the craft industry has “abundant human capital” in terms of existing skills and knowledge, “it is under-performing in terms of return on investment”.

The aim of this report is to use national-level data to unpack the workings of the Visual Arts and Crafts (VAC) domain, and particularly the crafts sector, from a number of angles in order to gain a better understanding of its potential for development and the constraints faced by the sector. This includes an analysis of:

- Published research in South Africa and internationally, including the importance of the sector in developing country contexts and how it is defined;
- A review of government support and policies relating to the sector in South Africa;
- An analysis of the demographics, employment conditions, location and earnings of people working in the sector;
- An analysis of firms in the VAC domain in terms of where their main markets are, the demographics of their ownership, and their main sources of income.

The report concludes with some comments on the way forward.

2 Literature Review: Visual Arts and Crafts, Development and Jobs

This section of the report reviews some of the published research on the importance of VAC sector in developing country contexts, focusing both on South Africa and on other countries. It also deals with issues of definition, specifically what is included in the VAC Domain as defined by UNESCO, and how this is related to South African policy definitions of the sector. The various stages of the craft value chain, and the constraints faced by artisans along the value chain are also discussed.

2.1 Importance of the VAC sector in developing country contexts

Rogerson (2010) traces the rise in the importance of the craft sector in South Africa. His research shows that, early on, visual arts and crafts were identified as a potentially powerful way of driving local economic development through the provision of employment for marginalized groups (especially in rural areas), and as an important component of tourism promotion. The craft sector was seen as building on (and helping to preserve) traditional culture and skills, and having relatively low barriers to entry in term of low start-up costs, and low formal educational requirements.

Nyawo and Mubangizi (2015) also find that the craft sector can go beyond providing economic value to communities, but also contributes to building social networks, developing economic independence and entrepreneurship and building personal and social capabilities, especially for rural women. As also argued by Rogerson (2010), they point out that even low earnings amongst small-scale crafters can be an important contribution to lifting people out of poverty and helping to meet household needs. Joffe and Newton (2007) add that the craft sector in South Africa can contribute to some of government's priorities, such as building small, medium and micro-enterprises (SMMEs), the empowerment of women, and rural development.

The importance of the visual arts and crafts sector is also recognized in other developing country contexts. Aguirre and Lopes (2017) writing about the sector in Latin America, note that:

“Artisanal production combines both a word view and know-how which are precisely the outcome of the culture in which artisans carry out their work, and of their creativity when put into practice” (Aguirre and Lopes, 2017: 30).

The UNCTAD Creative Economy Report (2010) showed that, for many developing countries, the craft sector is a very important international trade sector, accounting for an average of 65% of their share in the world market for creative goods. As discussed later on in this report, South Africa's VAC sector is also found to be an important and growing part of cultural goods exports.



Figure 1: The Craft Value Chain

The craft value chain tends to be long and makes use of intermediaries, especially for those businesses far from their markets, and that have to purchase inputs from further afield. Rogerson (2010) reports that these relationships are often contested, with the artisans who actually produce the crafts claiming that intermediaries, who sell inputs or who are involved in distribution and retail, take an unfairly high proportion of the profits.

It is argued by some that the small-scale nature of most craft production, and close associations with customers, can help to drive innovation and quality improvement in the sector. This envisages a “virtuous” cycle, where profits are re-invested in improving product quality and variety, which in turn



Figure 2: Strengths of the Visual arts and Crafts sector

In De Beukelaer's (2015) study of the cultural industries in Burkina Faso and Ghana, he notes that superficial understandings of how the cultural industries work in developing countries, and the elevation of individual success stories, give a false impression of how, and how easy, it will be to develop their potential. A particular challenge for CCIs operating in this context is that the low levels of disposable income available for the purchase of cultural goods and services leads to a "broken value chain" and the prevalence of "subsistence entrepreneurship" in the sector. Makhitha (2017) suggests that the perception of the craft sector as having low status and low value goods is partly what prevents craft products from being sold at higher prices, although the limited purchasing power of many South African households is also noted. Nevertheless, there are a number of strengths for growing the craft sector in South Africa, related to rich cultural traditions and skills, as well as to the market that the growing local and international tourism industry creates.

Despite ongoing interest in promoting and developing the craft sector in South Africa since 1994, many challenges in the sector remain (Nyawo and Mubangizi, 2015). In their study of small, rural craft producers in KwaZulu-Natal, Nyawo and Mubangizi (2015) found that 90% of crafters had very low levels of formal education. This, along with their remote location, meant that there was a lack of information about demand (target markets), how to reach potential markets, what products would be most likely to sell, prices and competition. Their main buyers were tourists, but they were increasingly being faced by competition, not only amongst other local crafters, but from imported products from eastern countries. Their lack of formal education and limited resources also meant that they sometimes did not have (and could not acquire) the technical skills needed to produce new and innovative products needed to meet changes in demand. 60% of crafter households had no forms of employment or income other than their craft business. For those that did have other sources of income, these were mostly in the form of government grants, such as pensions or child support grants, rather than employment.

Abisugu-Oyekunle and Fillis (2017) did a survey to explore the potential of handicraft micro-enterprises in providing youth employment in the Western Cape. Their study (135 participants) showed that most crafters had a turnover of between R200 and R400 per day or more. However, only about half of the crafters agreed that their business was profitable, and 33% saw it as a low income job. As shown in Table 2, however, 61% of respondents agreed that the craft sector could "allow marginalised youth access to the economy", and 84% felt that the sector had potential to generate wealth and create jobs.

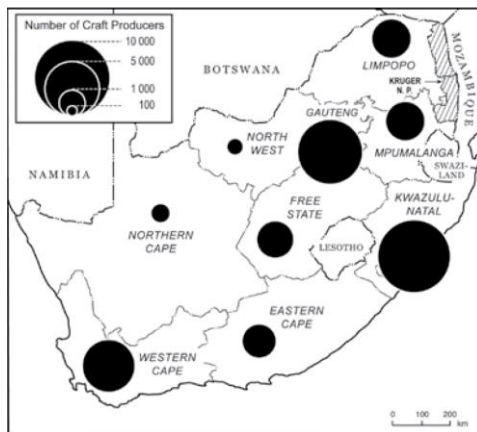
Table 1: Opinions on the role of the handicraft industry in creating sustainable employment in South Africa

Question	Percentage Agreed
Do you think that this business is a reliable source of employment?	68
Does involvement in the handicraft sector allow the marginalized youth access into the economy?	61
Do you feel that handicraft industries have the potential to generate wealth and create jobs?	84
Do provincial authorities give adequate concern for the development of the handicraft industry?	28

(Source: Abisugu-Oyekunle and Fillis, 2017)

Many authors argue that the visual arts and crafts sector is particularly useful as a development tool because it can be undertaken in the rural areas as well as around cities. However, much research has shown that the CCIs tend to cluster around larger metropolitan areas because of the presence of larger markets and access to materials and skills. This is also the case in the craft sector, although to a

somewhat more limited extent. As shown in Figure 4 from the research of Rogerson (2010:124), a greater number of craft producers does tend to cluster around urban areas. Similarly, Makhitha (2017) argues that the number of crafters is higher in Gauteng and the Western Cape because of urbanisation and because they have an established tourism industry.



*Figure 3: Geographical distribution of craft producers in South Africa
(Source: Rogerson, 2010:124, based on DTI data, 2007)*

Several policy documents (discussed further below) and research articles suggest that one way in which market access for visual arts and crafts can be improved is by linking it to tourism. Rogerson and Rogerson (2011) discuss the local and international literature that sees craft production as “a form of community-based” tourism, whereby specific tourism routes can be linked to opportunities to buy locally made arts and crafts. They reference the success of South African tourist routes, like the “Midlands Meander” and “Crocodile Ramble” as examples. However, they also acknowledge that both these routes took decades to develop, and focused initially on white crafters.

Saarinen (2016) investigated the potential for tourists to provide a market for crafts in Namibia. He points out that many tourists appreciate and search for more “authentic” and “deeper” experiences when travelling. Crafts, which have connections to specific locations, cultural heritage and traditions, can be seen as a value-adding tourist activity. In-depth surveys with craft buyers at a market in Namibia found that 86% of tourists agreed that “The appeal of craft is linked to local culture”, but that only 50% agreed that “I only buy locally-made crafts”. This last is potentially worrying, as it indicates that competition from imported, commercially manufactured items could reduce the market share of local producers.

Yang et al. (2018), in their study of crafts in Pakistan, have similar findings, identifying one of the challenges to locally produced crafts as “industrialisation and mass production”, especially from China. Thus, while the global demand for arts and crafts offers opportunities for development, it may also increase competition. Small producers, especially in rural areas, may also struggle to access international markets by themselves. One of the policies suggested to overcome this challenge is the implementation of a certification process, whereby locally produced, handmade, traditional crafts are differentiated from cheaper imports. In addition, telling the “stories” behind such unique craft pieces through marketing, information labels and cards, “will help to increase the value of the product due to its uniqueness from other substitute products...and is also one of the best ways to educate consumers” (Yang et al. 2018:6).

In a review of international research on craft development, Rogerson (2010) and Makhitha (2017) identify key constraints that need to be overcome in developing the sector:

1. *Access to markets and developing good marketing strategies* is a key difficulty for crafters from many countries and needs to be solved if original works are not going to be replaced by

mass manufactured pieces and to prevent crafters from being squeezed out of the value chain. Many micro-enterprises that are owner-operated lack the time, knowledge and resources to develop the needed marketing strategies.

2. *Access to raw materials* can also be a challenge, especially relating to shortages (from over-harvesting and/or from suppliers) and high prices as a result of exploitative intermediaries on whom crafters have to rely for inputs. This is particularly the case for rural artisans.
3. *Access to finance or micro-credit* is often difficult for small-scale crafters operating in the informal sector, and constrains their ability to upscale and/or to innovate.
4. *Access to technology* is a problem for rural crafters, but which is increasingly important for both innovation and marketing.
5. *Poor managerial and business skills* can constrain the ability of craft firms to become profitable and growing their enterprises, and is linked to generally low levels of formal education in the sector.
6. *Weaknesses in institutional support structures* can also constrain the sector. Support programmes are often fragmented and difficult to access, especially for rural firms.
7. *Increasing competition* from machine-made imported products (for example, from China), that are sold for lower prices, make it more difficult for local crafters to grow their businesses. Local crafters also tend to produce very similar products to each other, which also increases competition and drives down prices.

Nwayo and Mubangizi (2015) investigated the links between crafts and local economic development (LED), through tourism, in the Mtubatuba municipality. They emphasise that LED strategies require cooperation between various stakeholders, such as municipalities, the private sector and local communities. Of the crafters they interviewed, 90% had low levels of education, and 60% of households had no source of income other than their craft businesses. A participant from the municipality said, “The art and craft sector plays a huge role in the development and growth of the rural economy. If the community and government could show a positive attitude towards this sector, huge and meaningful contributions to local economic growth could prevail” (Nwayo and Mubangizi, 2015:9). Their findings show that, while the craft sector has great potential for LED in more rural areas, the lack of business information about markets and consumer preferences is a challenge. They also mention the “strong competition” from imported products.

2.2 Definitions of crafts and artisanal production

Definitions of what constitute “crafts” or “artisans” differ amongst countries. For example, in South American countries, definitions of artisans commonly include those who practice a craft, who have mastery of their technique, and who use mostly manual processes. In some countries, they also include the idea of creative or artistic talent and knowledge, and are associated with cultural traditions, identity and originality.

UNESCO (1997:6) defines artisanal products as:

“Those produced by artisans, either completely by hand, or with the help of hand tools or even mechanical means, as long as the direct manual contribution of the artisan remains the most substantial component of the finished product...The special nature of artisanal products derives from their distinctive features, which can be utilitarian, aesthetic, artistic, creative, culturally attached, decorative, functional, traditional, religiously and socially symbolic and significant”.

Table 2: A comparison of definitions of artisans in Latin America

Key words	Ecuador	Argentina	Brasil	Colombia	Mexico	Paraguay	Peru
Exerts a craft	x	x	x	x	x	x	x
Mastery of tools and equipment	x	x		x	x	x	x
Manual process	x		x	x	x	x	x
Traditional techniques and processes		x	x	x	x		x
Productive activity	x	x		x	x		x
Testament to cultural traditions		x			x		x
Creative and artistic talent		x	x	x			
Endows qualifications or knowledge	x				x	x	
Directs and/or carries out work	x					x	
Production with identity and originality		x					
Organized-hierarchical work					x		
Independent work						x	

Source: Aguirre and Lopes (2017: 28)

The Department of Sport, Arts and Culture (DSAC Craft, 2019) also defines the craft sector by referring to the “distinctiveness” and “uniqueness” of South African products. While the craft sector is associated with traditional cultures and methods of production, it can also be a highly innovative sector, as DSAC (2019) notes:

“There are crafters and designers who have been able to use traditional forms and motifs of craft design and production and modernise them to respond to market opportunities in the areas of interior design, clothing accessories and various utilitarian crafts that are contemporary yet to a great extent also distinctly South African”.

The Revised White Paper on Arts and Culture (2018) groups the visual arts, crafts and design sectors into one category:

- Visual arts include drawings, paintings, sculptures, ceramics, prints and graphic art, photography, murals, paperwork, performance arts, installations, conceptual art, tapestry, fibre art, computer graphics and digital art.
- Craft includes the production of traditional and contemporary decorative and utilitarian objects and carvings, as well as weaved basketry produced on a small scale through hand processes from natural and synthetic materials.
- Design refers to the conceptual visualising process of applied art, craft, architecture, spatial design and planning, engineering, textiles, jewellery, clothing, furniture, typography, books, posters, packaging and a host of other household, consumer and utilitarian goods.

The UNESCO Framework separates design from Visual Arts and Crafts (Domain C) which includes fine art, photography and crafts. Design is included in Domain F (Design and Creative Services).

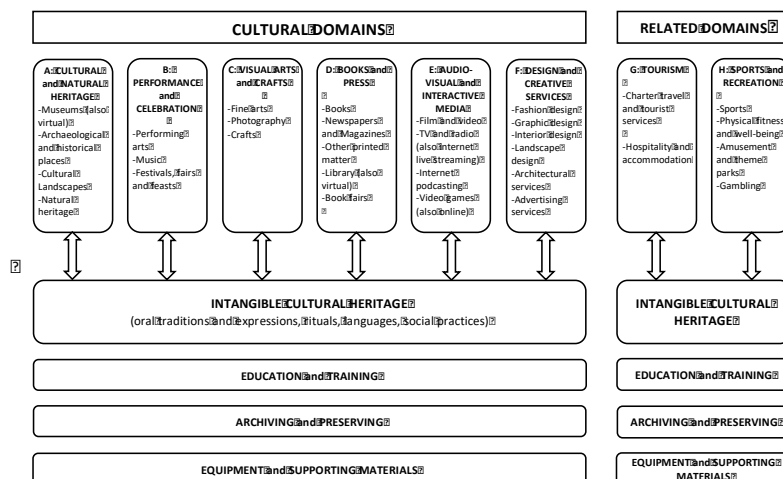


Figure 4: Position of the Visual Arts and Crafts Domain in the UNESCO Framework for Cultural Statistics (2009:24)

Rogerson (2010) lists six categories of goods that fall into the arts and crafts economy in South Africa:

- *One-of-a-kind goods or collectables*, which are original products characterised by traditional or innovative design;
- *Gifts and novelties*, including both personal and branded corporate gifts;
- *Homeware*, which could be functional or decorative, or both;
- *Jewellery and fashion accessories*, using both traditional and new designs and materials;
- *Curios and souvenirs*, associated with a particular place, focused mainly on the tourism market;
- *Garden and outdoor*, which could include functional decorative items.

As in other countries, key features of craft production include:

- Handmade, or largely handmade goods;
- Business premises that are small, may not involve formal infrastructure, and could be in the home;
- Businesses that are small, medium or micro-enterprises, often operating informally;
- Reliance on intermediaries for some parts of the value chain (such as marketing). Government support and policies relating to visual arts and crafts

3 An overview of government policies relating to the VAC domain

This section gives a brief summary of some of the main policy documents relating to the VAC domain.

The *NDP (National Development Plan)* recognises the importance of social cohesion and nation building, and the importance of arts and culture in non-market social aims, as well as the contribution of the cultural and creative industries to the development of the economy through job creation. The NDP states that “if arts and culture is promoted effectively, the creative and cultural industries can

contribute substantially to small business development, job creation, and urban development and renewal” (NDP, 2012).

The NGP (National Growth Plan) and the *IPAPs (Industrial Policy Action Plans)* identify the cultural and creative industries and tourism as sectors with the potential to create a large number of jobs, to drive social equity, improve competitiveness and support sustainable economic development. The Industrial Policy Action Plans (IPAPs) between 2007 and 2014 included various aspects of the CCIs, such as Film and Television and Crafts sectors (dti, 2010), as well as the music industry. The potential contribution to export earnings by South Africa’s Crafts sector, together with tourism, are emphasised. Policies to promote the craft sector and help to upscale (commercialise) it included the establishment of Craft hubs. However, a recent SACO (2019) qualitative report on the conditions of youth working in the craft sector in the Eastern and Western Cape provinces found that only one of the three Eastern Cape craft hubs established under this programme is operational.

However, by far the most comprehensive craft-specific policy document remains the Department of Arts, Culture, Science and Technology’s *Cultural Industries Growth Strategy* (CIGS, 1998). It mainly concentrated on developing strategies for growth and development in four sub-sectors of the CCIs, which included the music industry; the craft industry, publishing and film and television. These were identified as cultural activities in South Africa with the potential to compete internationally, create jobs and offer opportunities for rural and urban development.

The CIGS (1998) identified many of the challenges faced by South African crafters that are still relevant today. The *National Craft Sector Development Programme* was part of the CIGS (1998) specifically aimed at addressing the needs of craft enterprises and craft entrepreneurs, establishing the craft enterprises support fund, and addressing the challenges of accessing markets (local and international). The Programme also recognised the growing competition from imported goods in terms of production and quality, and proposed measures to maximise the craft sector competitiveness to ensure sustainable jobs. It noted the potential of tourism and export markets, but also recognised the importance of domestic markets:

“Market research conducted in the UK and EU found that people tend to buy African craft largely because they are familiar with it as a result of visiting a particular country. There is some indication that craft sectors built primarily on domestic demand have greater sustainability than those sectors dependent on the export and/or tourist markets. However, businesses which have access to both markets, have a greater chance of long term sustainability” (CIGS, 1998).

The MGE (Mzansi Golden Economy) Strategy (2013) was closely developed in relation to the NGP and IPAPs. Its aim is to fast track government goals (meeting the overall objective of South African macro-economic policies) in developing the arts, culture and heritage sector as serious contributors to economic growth and job creation. The MGE strategy were one of the first to use the UNESCO classifications of the cultural and creative industries (UNESCO FCS, 2009), which was then later also taken up in the *Revised White Paper on Arts and Culture* (2018). While not specific to the VAC sector, the MGE funding strategy does have funding for public art and for touring ventures (which could be used for marketing).

The Revised White Paper (2018:22) notes that the Fine Arts and Design sectors are characterised by well educated people working in mostly urban areas. Crafts, however, is still characterised by relatively low levels of education, and is located mostly in rural areas. However, most of the focus in the Revised White Paper is on the Fine Arts, with reference to policies such as artists’ resale rights and the development of art galleries and museums. The White Paper does propose a new National Arts and Audio-Visual Council of South Africa, which will have representation from the VAC sector. Various other development policies related to financing and training also include a mention of crafts.

A discussion of Intellectual Property and copyright with regards to crafts took place for the first time at the Ghanaian Handicraft Fair of 1998. The conclusion reached was that copyright was largely not viable in the VAC domain, and that the only way to protect products was to maintain ongoing innovation to stay ahead of competitors (CIGS, 1998).

This has largely remained the case in terms of crafts, but there have been some development in the Fine Art sub-domain, following the *Copyright Amendment Bill* (2018) and the proposed Artistic and Reproduction Rights for artists, including artists' resale rights (Revised White Paper, 2018). These rights are still to be implemented in South Africa. VAC domain workers are thus not immune to the "precarity" of other CCI sectors, and although copyright legislation exists, it is not always practical to enforce.

In addition to the above policies, other government research has been done on the crafts sector, such as the crafts audits conducted in the Western Cape and the Northern Cape. In particular, the Cape Craft and Design Institute in the Western Cape has become a major example of how to develop the sector and understand its challenges and opportunities. The information has been used to inform policy and to establish support organisations, like hubs (DSAC Craft, 2019). There have also been various initiatives and programmes to boost the craft sector such as the National Crafts Imbizo, the establishment of the Creative Industries Desk at the Department of Trade and Industry, the Cultural Industries Directorate within Trade and Investment South Africa, as well as the involvement of other organisations/entities such as National Arts Council, Proudly South African marketing, and the Tourism Enterprise Programme (DSAC Craft, 2019).

However, many of these programmes are hindered by the lack of capacity in terms of business and management skills, and have mostly failed to find and penetrate a viable and sustainable market for the craft sector, as a result of uncoordinated interventions and development programmes.

In summary, the common emphasis in VAC domain public policies has been on:

- *Developing of interdepartmental collaboration* (Department of Trade and Industry, Department of Sport, Arts and Culture, Labour, Higher Education and Training, Department of Tourism), provincial and local government, even NGOs, NPOs and other entities working under the DSAC to ensure the cultural, arts and heritage sector (cultural and creative industries) achieve economic, social, and environmental outcomes to empower citizens, reduce inequalities and poverty, and promote social cohesion and contribute to development.
- *Improving market access* for the craft sector at both local and international levels (e.g., spaces for exhibition, galleries/museums, create special development initiatives), and to *build the link between VAC and tourism* by developing transport routes/corridors, and to *reduce the unfair distribution of profits along the value chain*, such as high commissions and fees taken by galleries and crafts market operators.
- *Improving infrastructure* (e.g., premises – arts centres, electricity, roads/transport linking producers and selling markets) and *access to communication and information* (e.g., promoting VAC products in print, digital and broadcasting media), in urban and rural areas.
- *Providing education, training and technical skills*, though, for example, the introduction of cultural, arts and heritage education at secondary school, tertiary and technical institutions (e.g., in Business and management skills, craft marketing, crafting skills and techniques including products development skills (CIGS, 1998 and Revised White Paper, 2018).
- *Encouraging small and micro business and entrepreneurship* in the crafts sector by, for example, the provision of finance to small businesses in the craft sector, especially in rural areas.

- *Providing access to funding* for the crafts sector in particular and for cultural, arts and heritage in general through establishment of the Art Bank, developing innovative financial instruments and funding models for the cultural and creative industries in general, and providing more grants.
- *Linking tourism to the VAC domain* in order to promote the crafts sector, and provide access to markets (especially in rural areas).
- Where practical, *to enforce intellectual property rights, and to encourage ongoing design innovation* to maintain competitiveness.

What is clear from both the literature review, and the review of government policies, is that the challenges in the VAC domain are well known, and that there have been a number of initiatives aimed at developing the sector. Some of them (such as the IPAPs) appear to have been quite successful, and at least some of the VAC domain firms are managing to reach international markets through exports (as further discussed below).

4 Research methods

The research is based on data from two main sources:

- For the analysis of the working conditions and earnings in the Visual Arts and Crafts Domain: The 2017 Labour Force Dynamics Survey conducted by Statistics South Africa was used.
- For the analysis of the operation of firms in the Visual Arts and Crafts Domain: Existing SACO databases on firms operating in the Visual Arts and Crafts domain were used.

SACO has developed a method to measure the size and characteristics of cultural and creative industry employment in South Africa (Hadisi and Snowball, 2016). The UNESCO (2009) *Framework for Cultural Statistics* is used to define cultural occupations in six main domains: Cultural and Natural Heritage, Performance and Celebration, Visual Arts and Crafts, Books and Press, Audio-visual and Interactive Media and lastly, Design and Creative Services. Each cultural sector is placed within one specific domain. The Framework also includes Transversal Domains that run across all the six main domains. These include Education and Training; Archiving and Preserving; and Equipment and Supporting Materials.

At the time of doing the analysis, the 2017 Labour Force Dynamics Survey conducted by Statistics South Africa was the most recent labour market data available, which is what was used for the analysis. The sample used in the survey is designed to be representative at provincial level and covers the entire national population aged 15 years and over. The survey contains a sample size of roughly 33 000 dwellings per quarter (132 000 observations per year). The advantage of using national survey data is that the sample is large and representative of the population, which speaks to the reliability and validity of the results (STATSSA, 2017).

In 2013, the then Department of Arts and Culture (DAC) commissioned a study of the CCIs in South Africa. The method included interviews (face to face and telephonically) with a sample of 2 477 randomly selected CCIs. Information was collected on a wide variety of firm variables, such as firm size, employment, markets and funding sources. A re-analysis of this data for firms in the Visual Arts and Crafts Domain is what was used in this report. For the analysis of the spatial distribution of Visual Arts and Crafts organisations, an updated SACO database was used.

5 Results: The Visual Arts and Crafts Sector in South Africa

5.1 An overview of the sector

The SACO mapping study (SACO, 2018) found that, in 2016, the GDP contribution of the CCIs was just over R62 billion, which represents approximately 1.7% of the total GDP in South Africa. However, of this, the VAC domain contributed only 8%, despite employment figures for this domain contributing 53% to overall cultural employment (Hadisi and Snowball, 2018).

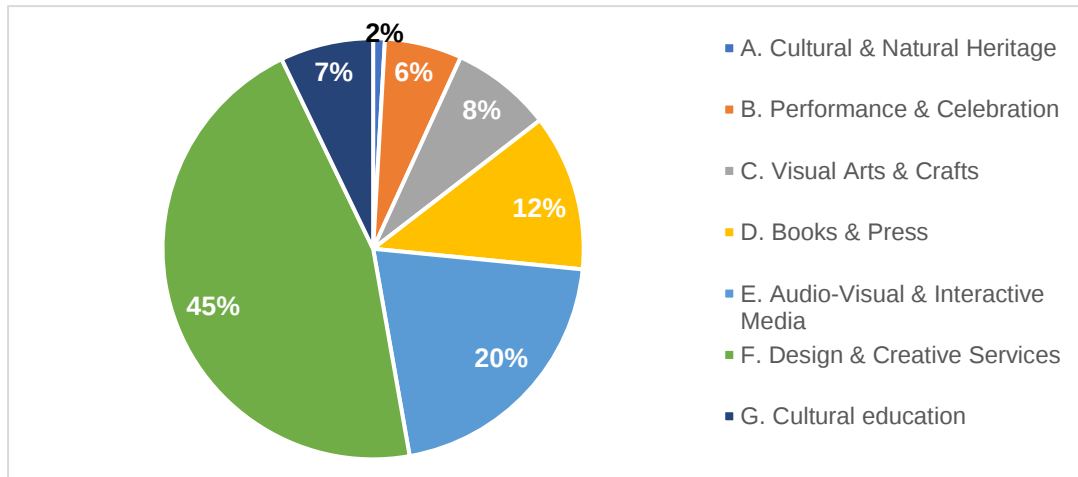


Figure 5: The contribution of cultural domains to South African GDP

The export of cultural goods accounted for around 0.46% of South Africa's total commodity exports in 2016, while cultural goods imports accounted for 0.66% of total commodity imports in the same year (Cattaneo and Snowball, 2018). Like many small, open economies, South Africa has a trade imbalance in cultural goods (the value of cultural good exports is less than cultural good imports). However, between 2007 and 2016, South African cultural goods exports grew faster than cultural goods imports (including after the post-2009 financial crisis period), significantly reducing the country's trade imbalance in cultural goods, particularly in the most recent period. A significant driver of this trend is the significant growth in the value of the "Visual Arts and Crafts" domain (Figure 6).

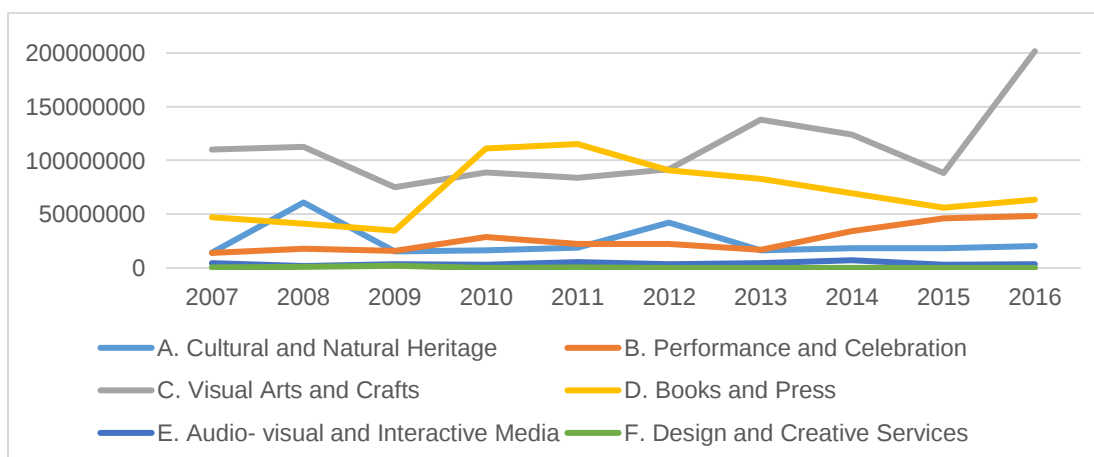


Figure 6: South Africa's total cultural exports by domain (US\$)

(Source: Cattaneo and Snowball, 2018)

UNCTAD (the United Nations Conference on Trade and Development) is the key UN agency that deals with issues of trade, investment and development, established by the UN General Assembly in 1964. The UNCTAD Creative Economy Outlook report (2018) shows that South Africa is amongst the top 10 developing country exporters of visual arts. The report also found that cultural and creative goods exports from South Africa increased from \$270 million in 2005 to \$599 million in 2014. Design goods (including interior design, jewellery and fashion) were the largest export category (\$315m in 2014). Thus, while the VAC may be facing some challenges, especially small, informal crafters in rural areas, there is growing evidence that at least some parts of the sector are growing and are able to access international markets.

5.2 Employment conditions and earnings in the Visual Arts and Crafts Sector

Using the UNESCO technical definitions of which employment categories make up the Visual Arts and Crafts (VAC) domain, the 2017 Labour Market Dynamics Survey data analysis showed the distribution of VAC domain employment by sub-group (Table 2). The largest sub-groups were related to clothing and apparel (“Tailors, dressmakers and hatters” at 22%, “Sewers, embroiderers and related” at 14.4%, and “Shoemakers and related” at 9.4%). This links to research findings by Mapuma and Snowball (2019), which estimated that there are between 5000 and 6000 small sewing businesses in South Africa which use shweshwe fabric as an input. The overlap between “primary” and “applied” arts is also referred to in the Revised White Paper on Arts and Culture (2018):

“The central thrust of the White Paper is to establish an integrated national dispensation of arts, culture and heritage. It therefore underscores the inter-relationship between the primary artistic disciplines and practices of the visual arts, craft and design...” (Revised White Paper, 2018:6).

Table 3: Visual Arts and Crafts (VAC) sub-categories in the Labour Market Survey

VAC Sub-categories	Total VAC	VAC: Youth 15 - 34
Tailors, dressmakers and Hatters	22.0%	13.6%
Potters and related	17.1%	26.3%
Sewers, embroiderers and related	14.4%	8.0%
Shoemakers and related	9.4%	9.5%
Glass engravers and etchers	8.3%	8.4%
Photographers and image recording	6.4%	8.0%
Cabinet makers and related workers	5.7%	11.0%
Textile, leather and related	5.2%	5.7%
Other craft and related	3.3%	2.2%
Handicraft workers in wood and related	2.6%	1.3%
Sculptors, painters and related	2.1%	2.5%
Jewellery and precious-metals workers	1.3%	1.1%
Pelt dresser, tanners and fellmonger	0.9%	1.1%
Glass, ceramics and related decorative	0.6%	0.0%
Upholsters and related	0.4%	0.5%
Weavers, knitters and related workers	0.3%	0.6%
Handicraft workers in textile, leather	0.1%	0.3%

Another significant sub-section of the VAC domain is “Potters and related” (17.1%), which could be classed with other traditional handicraft production, such as “cabinet makers and related” (5.7%), “Handicraft workers in wood and related” (2.6%) and “other craft” (3.3%). What could be considered Fine Art (more than craft) can be found in sub-categories like photographers, sculptors and painters, who make up a smaller part of the sample.

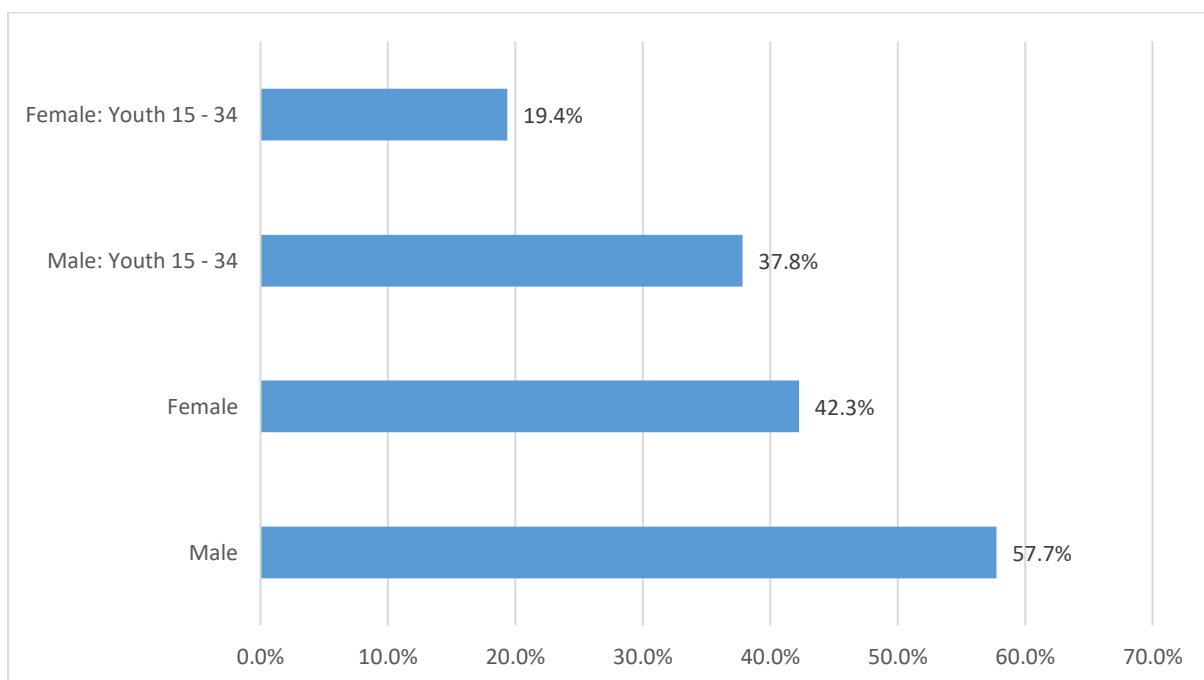


Figure 7: Demographics of workers in the VAC domain

The most recent study of cultural occupations in South Africa (Hadisi and Snowball, 2019) found that a somewhat higher proportion of men (58.6%) than women work in cultural occupations overall. For the VAC domain, this gender disparity is slightly improved (57.7% men and 42.3% women).

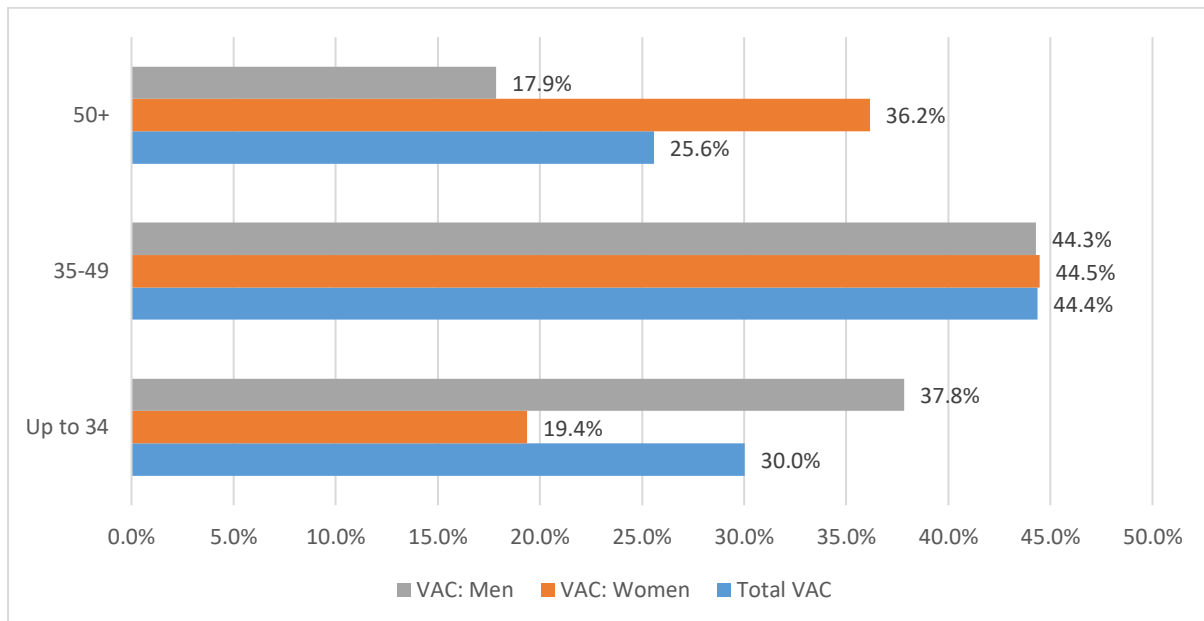


Figure 8: VAC workers by age and gender profile

In general, people in cultural occupations are older than those in non-cultural occupations: 34.6% of cultural workers and 39.3% of non-cultural workers were found to be in the youth (15 – 34 years old) category (Hadisi and Snowball, 2019). In the VAC domain (Figures 7 and 8), there is an even lower proportion of young people (30%), but a higher proportion of middle aged (35 – 49 years old) workers (44.4% in the VAC domain, compared to 38.7% in cultural workers overall). This finding agrees with a recent SACO report on youth working in the craft sector in the Eastern and Western Cape (SACO, 2019) which found that: “Most of the interviewed youths indicated that the craft industry had a lot of challenges as it was not a very popular or lucrative enterprise locally. Most had entered the industry as a result of failing to penetrate other industries”. The report also found that the majority of the young people working in the craft industry whom they interviewed had no formal training in artisanal skills, and most were unregistered (informal) companies. Interviews with the managers of the Eastern Cape Arts and Craft Hub verified that the youth involved with the hub were mostly unemployed, who had learned some crafting skills from their families.

An equally worrying pattern in cultural employment overall, and in the VAC domain in particular, is the very low proportion of young women working in the sector. The Hadisi and Snowball (2019) report found that a far lower percentage of female cultural workers overall fall into the youth category (29.2%) than male cultural workers (38.3%). This pattern has been found in previous years as well (see Hadisi and Snowball, 2018) and presents a challenge for CCI job creation for young women. This pattern is also found in the VAC domain, but to an even more extreme degree: Only 19.4% of women in the VAC domain are young, while 37.8% of men in the VAC domain are youth. It is unclear why so few young women choose cultural occupations, and VAC domain work in particular, but may be related to family care responsibilities, or an aversion to uncertain and volatile income, or to higher levels of workplace harassment and discrimination that have been found in other studies (Oakley, 2006; Eikhof and Warhurst, 2013; Siebert and Wilson, 2013; O’Brien et al., 2016; Hannekam and Bennett, 2017). While the results show that the VAC domain can provide an entry point to the labour market for women, these tend to be older women, not the youth.

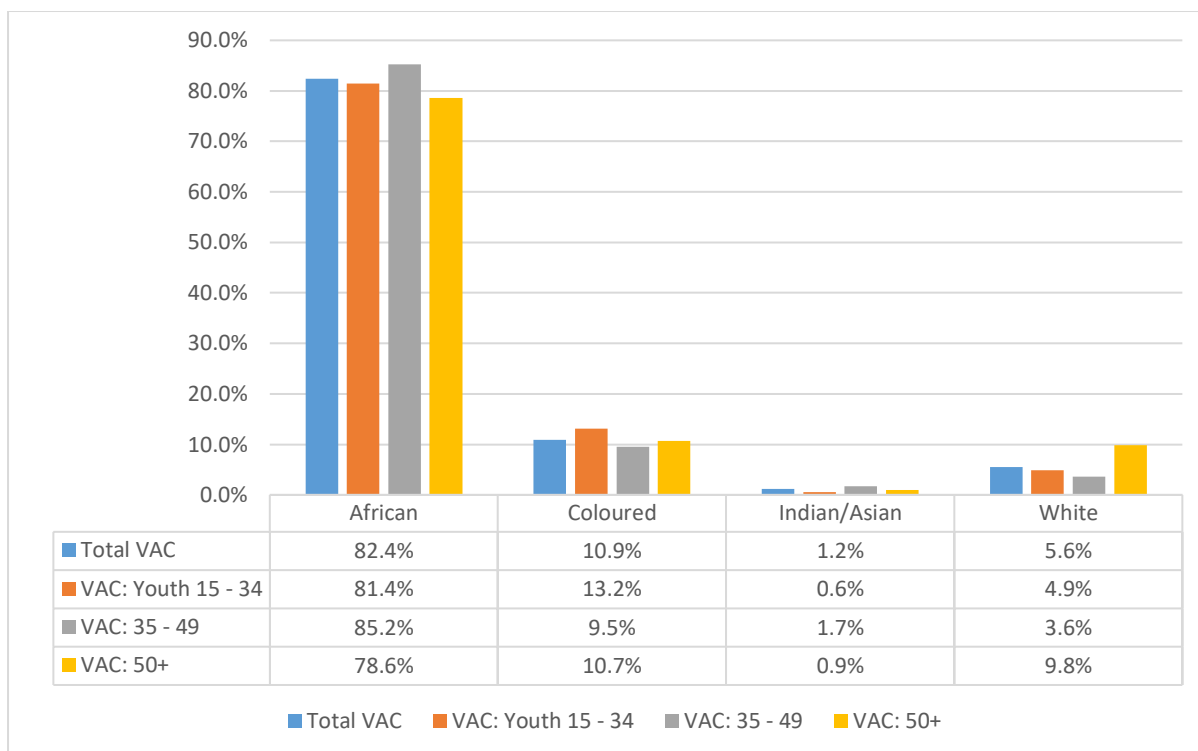


Figure 9: VAC workers by age and race group

In terms of transformation, the majority of those in cultural occupations in South Africa are black African (73.2%), followed by whites (14.2%), coloured people (9.3%) and people of Indian/Asian origin (3.3%) (Hadisi and Snowball, 2019). The VAC domain is thus more representative than other cultural occupations, with 82.4% of VAC workers being black African, 10.9% coloured people and 1.2% of Indian/Asian origin. Only 5.6% of people in the VAC domain are white.

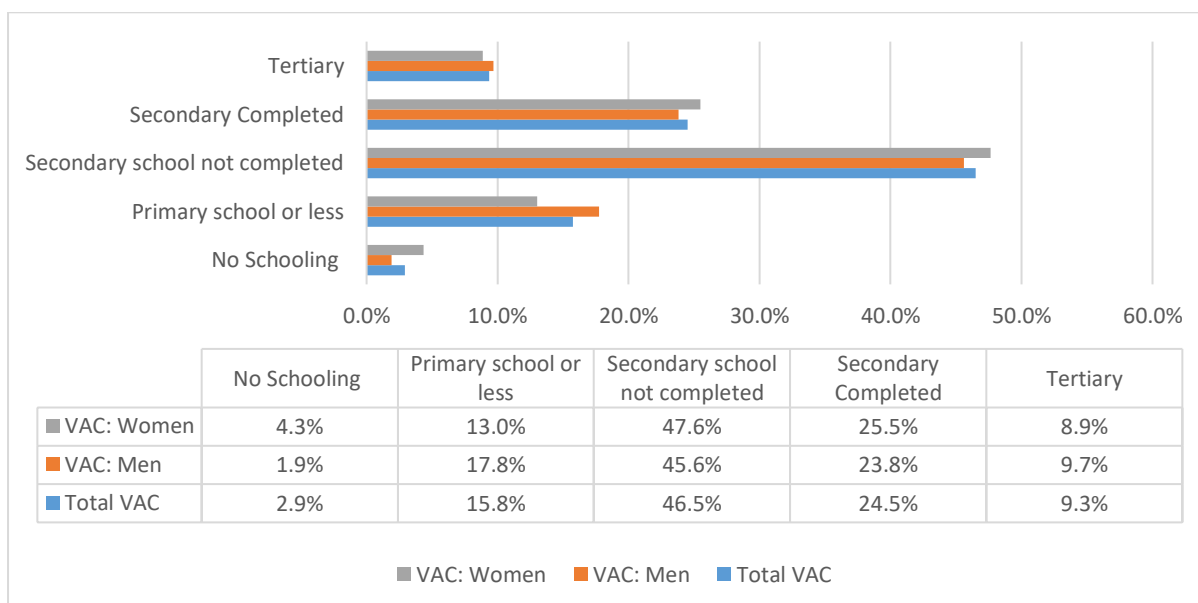


Figure 10: VAC workers by gender and education levels

In general, workers in cultural occupations are better educated than workers in non-cultural occupations. The previous report (Hadisi and Snowball, 2019) found that nearly 23.9% of cultural, and only 16.5% of non-cultural workers had some form of tertiary education. However, in the VAC domain

(Figure 10), very few people had tertiary education: 9.3% overall, with a slightly lower proportion of women (8.9%) compared to men (9.7%) having tertiary education. In the VAC domain, 46.5% of people had not completed secondary school.

These findings have two implications: Firstly, since the LMDS only captures data for people who are employed, the results show that the VAC domain does offer a labour market entry point for people who do not have high levels of formal education, but who have artisanal skills. The sector thus offers an important route to employment for South Africans who, for whatever reason, have not been able to complete formal schooling. This is particularly the case for women, as found in previous studies (Rogerson, 2010; Nyawo and Mubangize, 2015). Secondly, however, the low levels of formal education may be a constraint to further development and upscaling of potentially successful businesses in the sector. As pointed out by other commentators (Makhitha, 2017; Nyawo and Mubangize, 2015), programmes that provide targeted training in business management and marketing, perhaps through existing craft hubs, are thus likely to be crucial in developing the sector.

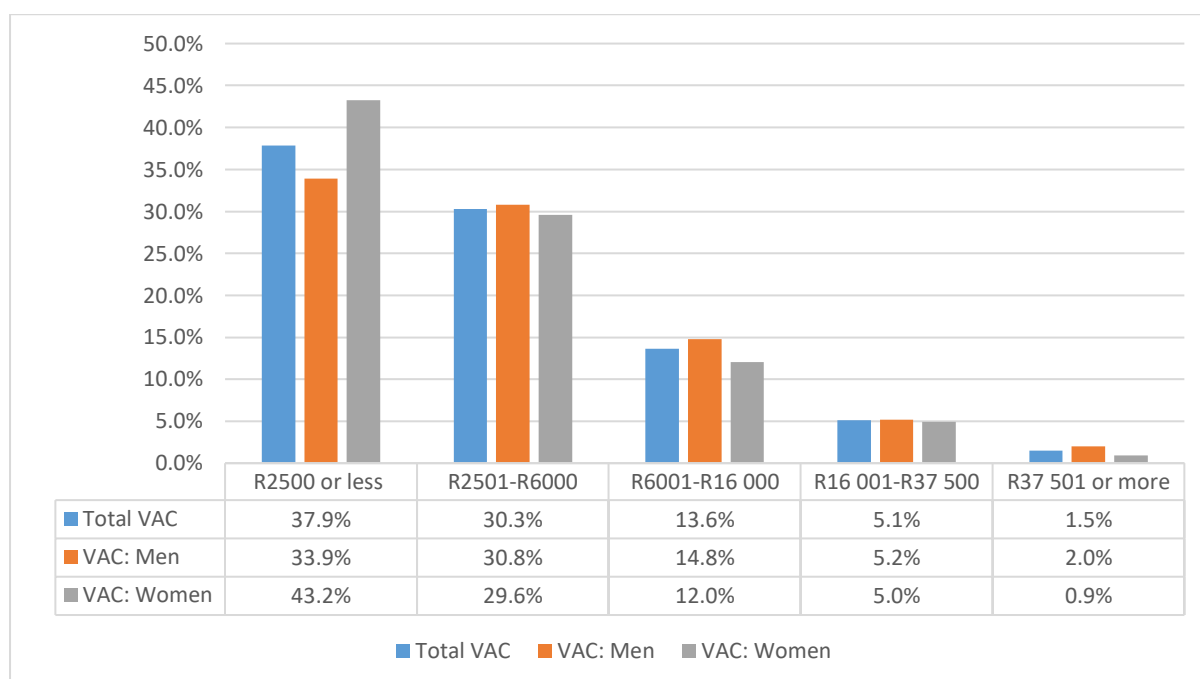


Figure 11: VAC earnings categories by gender

Given the higher education levels of cultural workers overall, they also tend to earn more than non-cultural workers. The earlier study of the sector (Hadisi and Snowball, 2018), found that cultural workers make up a larger percentage of those who earn R16 000 per month or more (9.7%) than non-cultural workers (7.2%) and a lower percentage of those who earn R2 500 per month or less (30.1% of cultural workers and 33.7% of non-cultural workers).

However, in the VAC domain, earnings are lower, especially for women. Overall 37.9% of VAC domain workers earn R2500 per month or less, and 43.2% of women in the VAC domain are in this category. Only 5.1% of VAC domain workers earn more than R16 000 per month (compared to 9.7% of all cultural workers, and 7.2% of non-cultural workers). Only 13.6% of VAC domain workers earn between R6001 and R16 000 per month, compared to 18.1% of cultural workers overall.

These findings are similar to those of previous studies, which show that, for many people working in the visual arts and craft domain, earnings can be very low, with some authors describing them as “survivalist” businesses. Nevertheless, as others point out, the opportunity for people, often with low levels of formal education, to generate any income can have a positive effect on their livelihoods, both in terms of being able to contribute something to household funds, and in terms of the social benefits

of working. This is particularly the case for women, who might otherwise have no entry point into the labour market. Development strategies that help to move at least some of these enterprises into the higher earnings brackets are, however, urgently needed for the sector to reach its full potential.

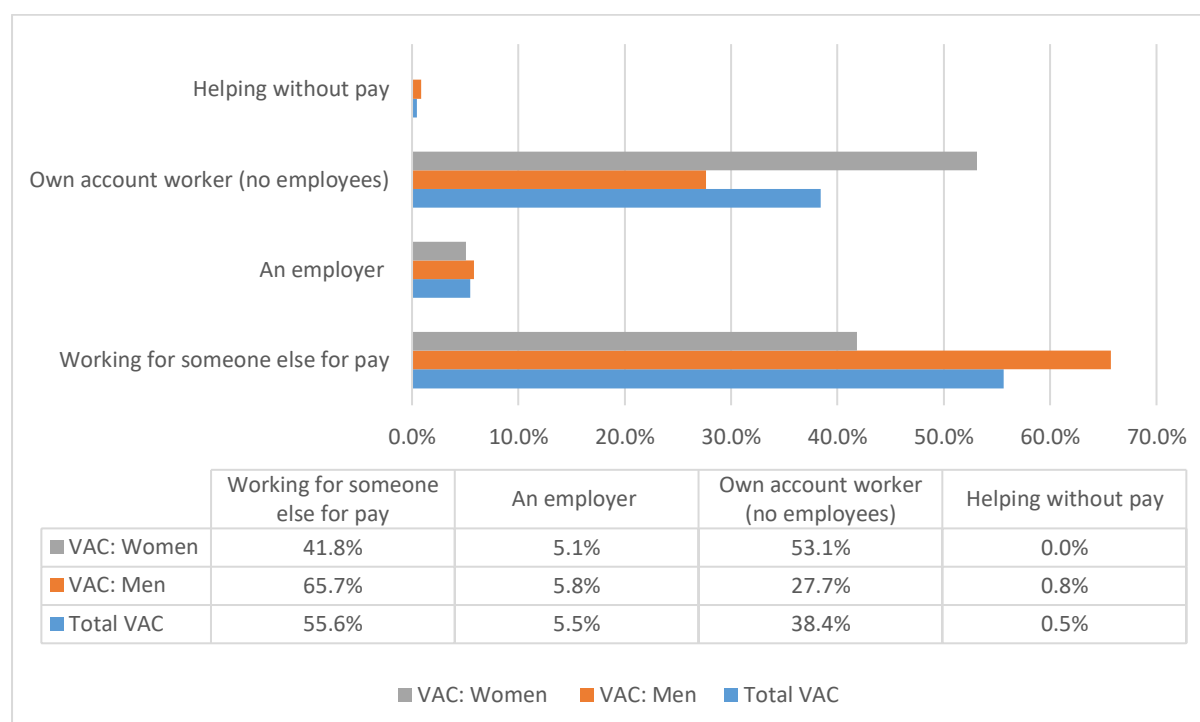


Figure 12: VAC work by employment type and gender

As the previous study (Hadisi and Snowball, 2019) shows, cultural workers in general are much less likely than non-cultural workers to be “working for someone else for pay” (84% of non-cultural workers, compared to only 58.7% of cultural workers in general fall into this category). For VAC domain workers, only 55.6% are employees, with a higher proportion in the “own account worker with no employees” (freelance) category: 38.4% of VAC domain workers, compared to 35.3% of all cultural workers, and only 9.6% of non-cultural workers. Again, there is a particularly stark difference between men and women in the VAC domain, with 53.1% of women freelancing, while only 27.7% of men do. The implications of this finding is that, even within cultural occupations, VAC domain work is particularly “precarious”, with few having access to employee benefits or other labour market regulations relating to minimum wages or working conditions.

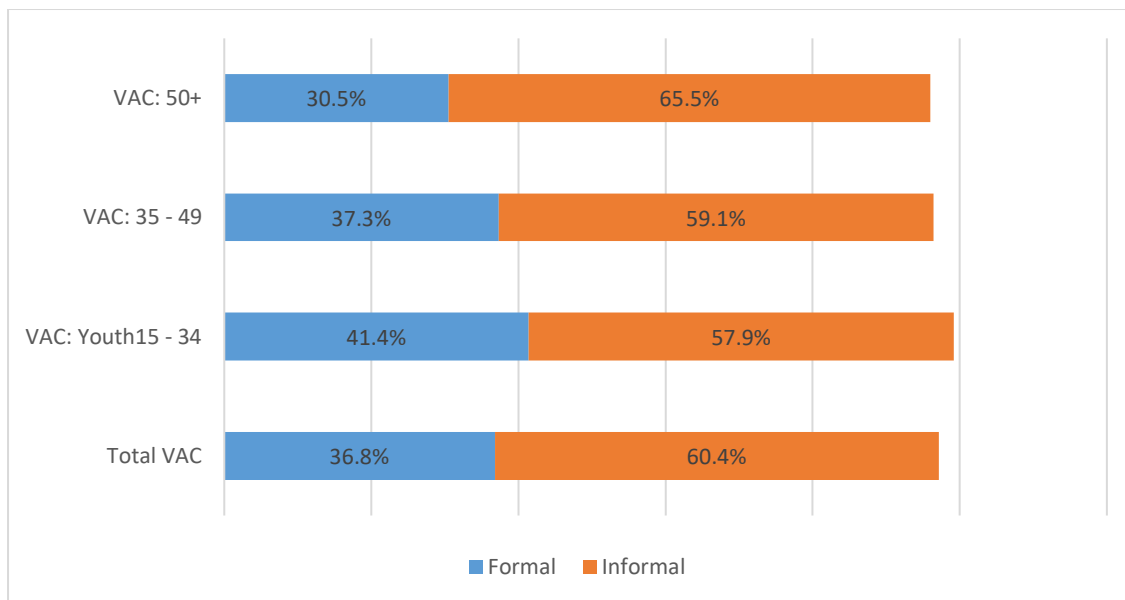


Figure 13: VAC work in the formal and informal sectors by age group

In general, a far higher percentage of cultural workers in South Africa (and in the rest of the world) are employed informally (50.5%) compared with non-cultural workers (32.4%) (Hadisi and Snowball, 2018). This is even more the case in the VAC domain, where 60.4% of people work in the informal sector. The so-called “gig” economy accounts for some this, since production in the cultural sector is generally around specific projects, and demand tends to be volatile.

While some labour market researchers regard the informal sector as a fall-back position for those unable to get jobs in the formal sector (Hillenkamp *et al.*, 2013), others argue that the informal sector provides sustainable employment in its own right (Perry *et al.*, 2007). Operating informally can have advantages, such as more flexible employment terms, the ability to pull together diverse teams of expertise and produce goods and services quickly, and avoidance of administrative costs and taxes. The challenges with working in the informal sector are a lack of access to reasonably priced credit, or other government small business support programmes, or any labour market protection, such as unemployment insurance, or regulations around working conditions. It can thus be very difficult to upscale micro firms in the informal sector.

For cultural workers in general the gender differential in terms of formal versus informal sector employment is low: about half of both men (51.2%) and women (49.6%) in cultural occupations work in the informal sector (Hadisi and Snowball, 2019). However, in the VAC domain, levels of informality are higher, especially for women: 56.8% of men and 65.3% of women in the VAC domain work informally. A somewhat encouraging sign is younger VAC domain workers seem to have lower levels of informality (57.9% of youth) than older workers (65.5% informal). This may be an indication that the sector is starting to change.

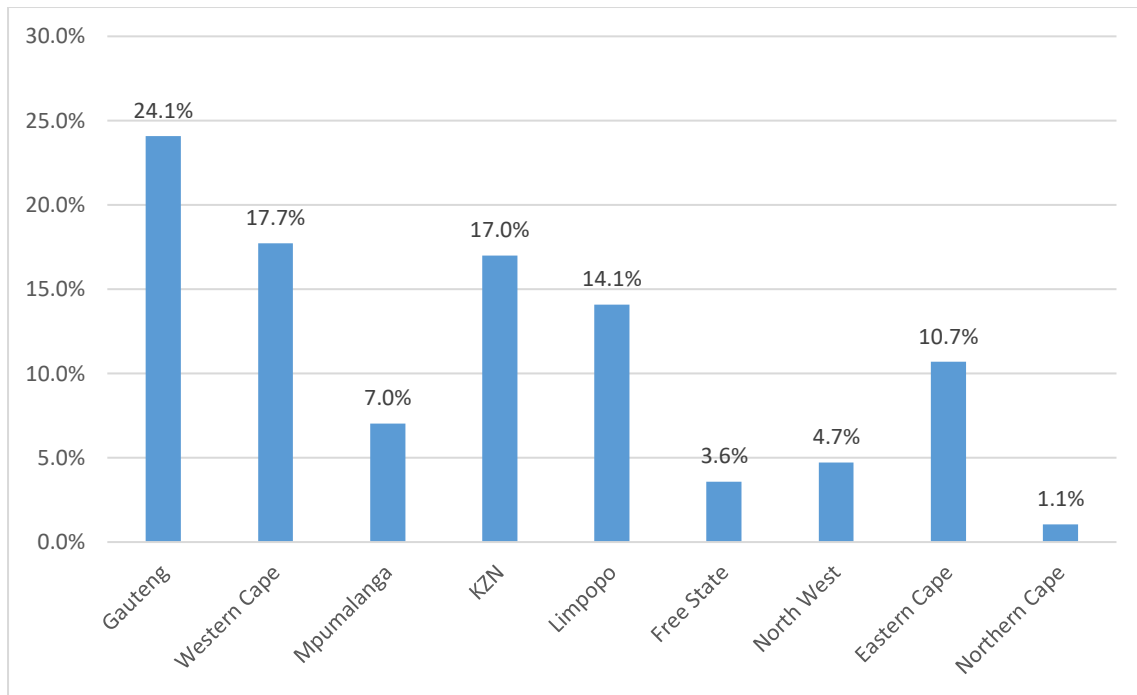


Figure 14: VAC employment by province

As found by Rogerson (2010:124) nearly 10 years ago, craft producers tend to cluster around urban areas. Makhitha (2017) links the higher concentration of craft producers in Gauteng and the Western Cape to their tourism industries, which can provide a better market for craft products. Similarly, in this study, the same patterns are present when considering the proportions of people working in the VAC domain in different provinces (Figure 14). Gauteng has by far the highest proportion of VAC workers in South Africa (24.1%), followed by the Western Cape (17.7%) and KwaZulu-Natal (17%). These are also the provinces with the largest metropolitan areas in the country. However, there are also VAC workers in more rural provinces, such as Limpopo (14.1%) and the Eastern Cape (10.7%), which suggests that there is some development potential in these areas, especially if problems found in other studies, such as access to markets and raw materials, can be overcome.

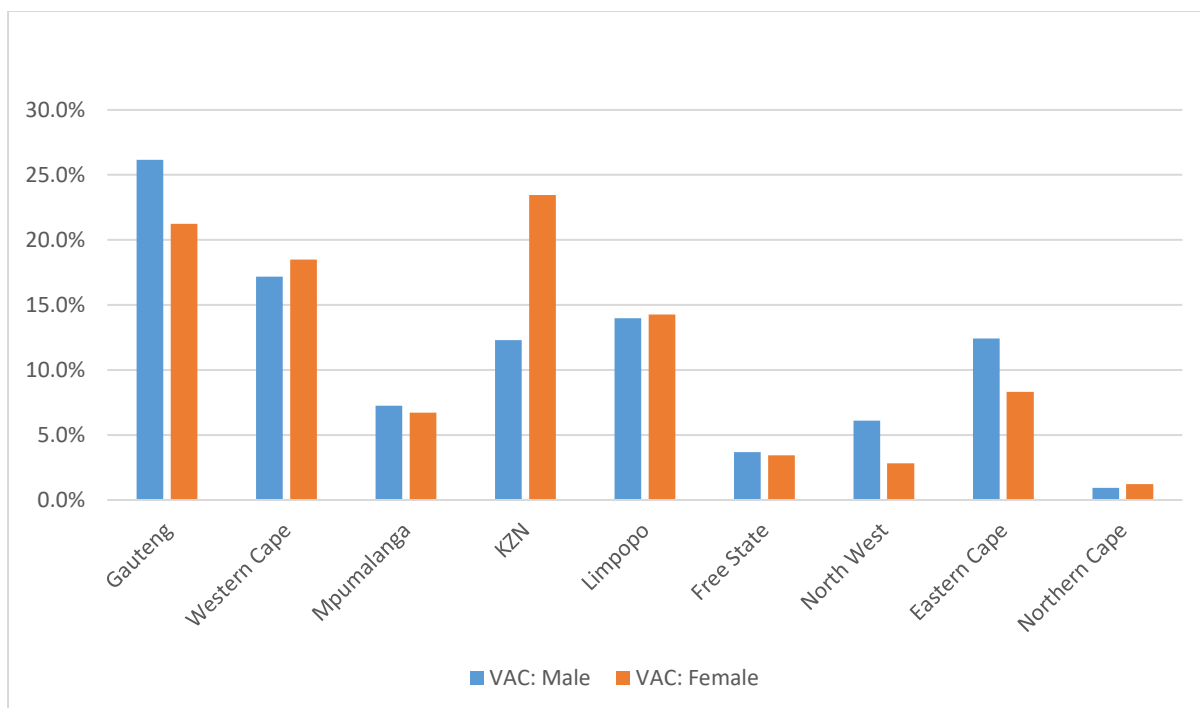


Figure 15: VAC domain work by province and gender

Finally, it is interesting to note the gender differences in VAC domain workers by province. For example, some provinces (Limpopo, Mpumalanga, Western Cape, Free State), have a fairly even distribution of men and women working in the domain. However, KwaZulu-Natal has a much higher proportion of women in VAC domain occupations than men. The Eastern Cape and Gauteng have a higher proportion of men in this domain. Such findings could lend themselves towards specifically targeted regional policies to improve gender balance.

5.3 Firms in the Visual Arts and Craft sector in South Africa

An important determinant of transformation is not only the demographic profile of the workforce, but also patterns of ownership. Making use of the 2013 interview data with South African CCIs (as described in section 3), it can be shown that VAC domain firms are mostly (92%) owned by South Africans, and 63% have at least one black African, Indian/Asian-origin, or coloured owner (Table 4). While not yet demographically representative, the VAC domain is one of the most transformed CCI domains, coming second after the Performance and Celebration domain. VAC firms had the highest proportion (58%) with at least one female owner, further strengthening the argument that the domain does provide important opportunities for women. Only 27% of VAC firms were owned by people younger than 35, which is about the same as Design and Creative Services, and higher than the Information, Books and Press domain.

Table 4: CCI firm ownership patterns in South Africa

Domain	At least one SA owner	At least one BICA* owner	At least one female owner	At least one youth owner
Performance & Celebration	95%	65%	47%	45%
Visual Arts & Crafts	92%	63%	58%	27%
Information, Books & Press	89%	44%	41%	17%
Audio-Visual & Interactive Media	96%	53%	31%	40%
Design & Creative Services	93%	48%	50%	26%

* Black, Indian-origin, Coloured or Asian-origin (BICA) owner

The survey of CCI firms asked, “What is the main market for your business or organisation?” Dividing VAC firms up into the three main sub-groups, results show that for all groups, but especially for photography and crafts, the main market is households in South Africa. Craft producers sell very little to either other firms (5%) or the public sector (5%). A small proportion of craft firms sell to households outside South Africa (7%), indicating their struggles in reaching international markets.

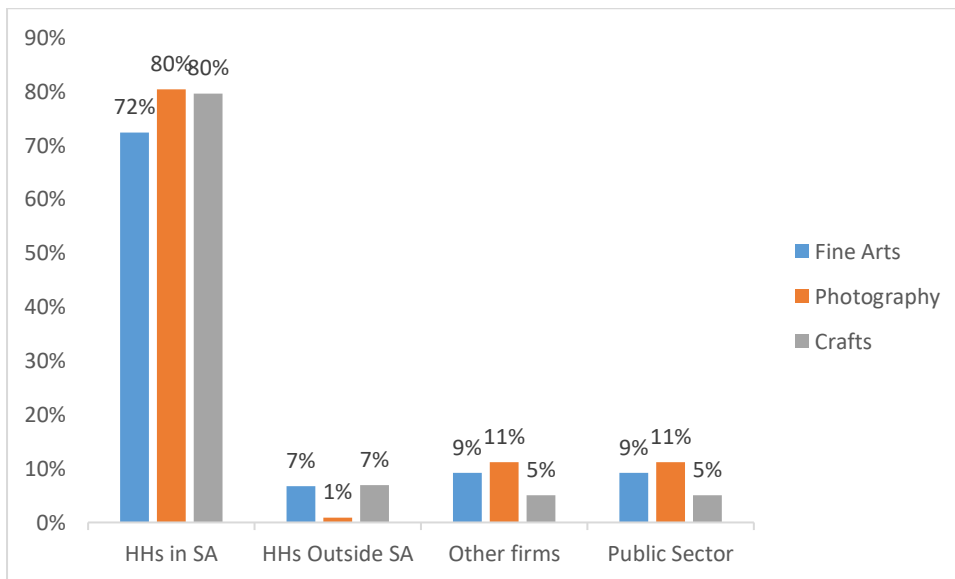


Figure 16: Main markets for firms in VAC sub-domains

It should also be kept in mind that the dataset on CCI firms tended to sample older, more established firms who were operating formally. Access to markets beyond South African households could include sales to international tourists (as discussed in the literature review), but it seems that very few of the VAC domain firms are having success in this area as yet.

Another question in the survey asked: “Which of the following are sources of income for your business or organisation (select all that apply)?”

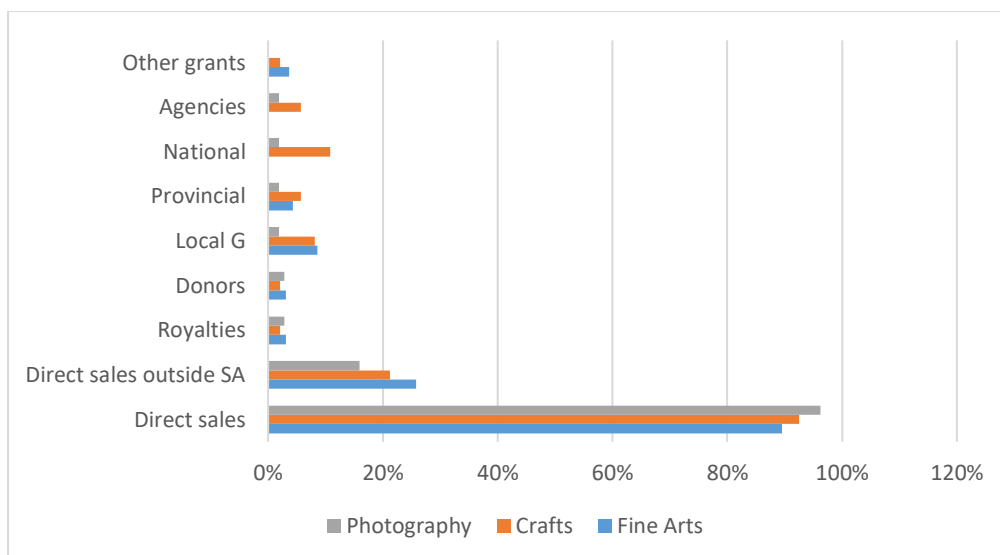


Figure 17: Main Income Sources for VAC firms

In terms of their sources of income, more than 90% of VAC firms reported that direct sales (to South Africans) are an important market. Encouragingly, although not considered their “main” market, about 20% of VAC firms indicated that “direct sales to buyers outside of South Africa” were a source of income for them, especially for fine arts (26%) and crafts (21%). A minority of firms in the Craft sub-domain also indicated that public funding (in the form of grants from local, provincial and national government) was a source of income. In a recent article that also made use of this dataset, Snowball et al (2017) used statistical analysis to investigate the relationship between transformation variables (as shown in Table 4) and firm characteristics. Results showed that there was a significant positive relationship between firms with a higher transformation score and receiving income from public grants. This indicates that public funding to the CCIs in South Africa is being targeted at those firms that are contributing most to transformation objectives. However, the analysis also showed that more transformed firms were also more likely to be operating in the informal sector, which may be constraining their further development.

6 Conclusions and Recommendations

The aim of this report was to unpack the disparity between the amount of employment provided by the Visual Arts and Crafts (VAC) domain in South Africa, and its much lower contribution to GDP, using national-level data. An earlier report on national cultural employment (Hadisi and Snowball, 2019) showed that the VAC domain made up 53% of overall cultural occupation in South Africa. The UNCTAD Creative Economy Outlook report (2018) listed South Africa as one of the top 10 developing country exporters of visual arts. However, the domain makes up only 8% of the cultural economy contribution to GDP.

The results show that the VAC domain does provide opportunities for the employment of women and youth, but it is more male dominated than other CCI domains, especially in terms of young women (only 19.4% of women in the VAC domain are youth, compared to 37.8% of men). A larger proportion of women in the VAC are middle-aged and older. There is also some evidence from other studies that the youth see the VAC domain as a last alternative to unemployment, rather than a viable career.

Earnings in the VAC domain are generally lower than in other CCI domains (37.9% of people working in the VAC domain earn R2500 or less per month), especially for women (43.2% of women in the VAC domain earn R2500 or less per month), which supports other studies that claim that the sector is more of a “survivalist” livelihoods strategy than a viable business opportunity. However, especially for rural

women with lower levels of education, and few alternatives, there may also be other non-market (social and independence) benefits related to working in this domain.

Working in the VAC sector provides little job security: 38.4% of workers are freelance (own account workers with no employees), and 53.1% of women in VAC domain jobs fall into this category. There are also high levels of informality, again especially for women: 65.3% of women compared to 56.8% of men in the domain work informally. Younger workers in VAC, however, tend to have slightly lower levels of informality than older workers, which may indicate a positive change.

The VAC domain also contributes significantly to transformation objectives: 82.4% of people in VAC occupations are black Africans, 10.9% coloured, 1.2% Asian/Indian, and 5.6% white. Firm-level analysis also showed that they scored well on other transformation goals, such as having a black African, coloured or Asian/Indian owner (63%), at least one female owner (58%) and at least one youth owner (27%).

However, findings also confirmed the generally low levels of formal education amongst VAC workers: 46.5% had not completed secondary school, and less than 10% had any form of tertiary education (compared to 23.9% of those in cultural occupations overall). The implications are that, while the VAC domain can provide an important labour market entry point for people with low levels of formal education, development of the sector may be constrained unless industry-specific education and training is provided.

There are also high levels of informality in the sector – 60.4% of VAC workers are in the informal sector. While informal operation may be more flexible and suit the volatile demand and seasonality of the sector, it does constrain up-scaling of businesses and access to markets (especially international markets) because it is more difficult for informal businesses to access credit and SMME support. Informal businesses are also likely to be more reliant on “middle men”, who may take advantage of producers of crafts by taking a disproportionately large share of the profits.

Results also showed the importance of geographical location. As found in previous studies, provinces with larger metropolitan areas (Gauteng, Western Cape, and KwaZulu-Natal) have a larger share of workers in the VAC domain. However, there is also some potential in more rural provinces if links to markets and tourists can be made.

Indeed, both local and international studies talk about the importance of marketing for the advancement of the craft sector, especially crafts produced by small firms in rural areas. Makhitha (2017) suggests that the online environment could offer benefits to crafters in a number of ways: (i) gathering information about their current and potential markets and buyer preferences; (ii) marketing their products directly to the consumer, and (iii) as a source of new ideas and innovations.

However, Rogerson and Rogerson (2011) point out that the Asian experience of selling crafts online in the direct “Business to Consumer” (B2C) model, has not been successful, since consumers are hesitant to make payments to unknown suppliers. Instead, they suggest that it would be more effective to use the online environment to market crafts collectively to other businesses, referred to as the B2B (Business to Business) model. Indeed, some private sector initiatives, like <https://onlinecraftmarket.co.za/> are already appearing in South Africa. They offer individual crafters an online platform on which to sell their goods, with a 10% commission available. However, to use such resources, business owners need to have access to digital technology, knowledge of how to operate in the online environment and the ability to afford data charges. From the point of view of rural crafters, Makhitha (2017) suggests the establishment of a public website, supported by government.

Nyawo and Mubangizi (2015) point out that crafters, especially in rural areas, rely on natural resources to produce their products. For the sustainability of their businesses, the responsible management of

such natural resources is needed. They suggest education programmes with local crafters who use the resources (and therefore have an incentive to protect them) could be an important way forward.

Publically supported craft hubs could be a good way of providing both targeted business training as well as other kinds of support relating to marketing and innovation. However, a recent, qualitative SACO study on youth employment in the craft sector in the Eastern and Western Cape (SACO 2019), found that, of the three publically supported craft hubs in the Eastern Cape, only one is at all operational.

The VAC domain appears in a number of government policies, strategies and plans, and identifies many of the challenges found in this research and possible interventions. The reasons for the disparity between the number of jobs in the sector and its relatively small contribution to GDP are thus well known, and are confirmed in the findings of this report. In our view, further research on the sector is not a priority, since the challenges experienced by those working in the sector are well known. Rather, we suggest that the focus should shift to design and sustainable implementation of some of the policies already suggested.

Many well-motivated policy suggestions on how to take the VAC sector forward have already been made (see section 3). Rather than more policy suggestions, policy coherence and an implementable strategy is needed. The Revised White Paper on Arts and Culture (2018), for example, has only a very small section on the VAC sector and little in the way of sector-specific policies. To take advantage of the opportunities related to tourism and the growth in VAC domain exports, a coherent and well-implemented strategic approach for the sector is needed that would focus on empowering the mostly micro-enterprises in the sector to move up the value chain.

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